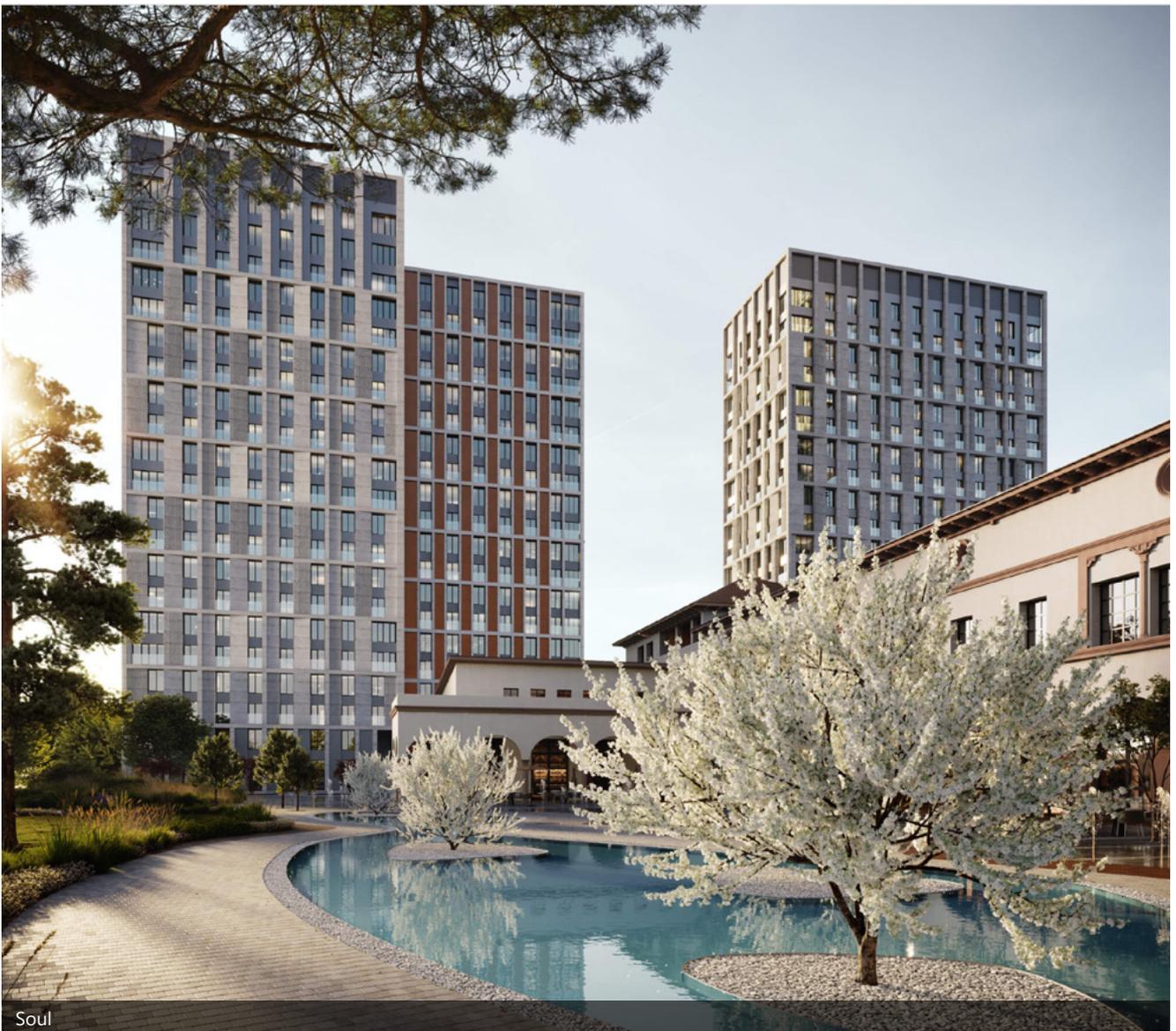


# **BUSINESS CLASS RESIDENTIAL REAL ESTATE MARKET MOSCOW**

HI 2023



Soul



### Olga Shirokova

Partner, Regional director  
Consulting & Research  
NF Group

«On the one hand, the upward dynamics of the demand in new business class buildings for H1 2023 is backed by the low base effect (the number of transactions for H1 2022 was the minimum recorded for the last 5.5 years). On the other hand, we have seen some revival of the segment over the past months. It is still difficult to say now whether it will be as a full-fledged upward trend, and how long-term it will be. However, the slowdown in the supply growth baked by gradual recovery in consumer activity allows us to expect the restoring of the supply-demand balance in the market.»

## Key findings

- > Slowing down the pace of supply expansion in April – June and maintaining the volume of supply at the level of 15.9 thousand units (+1% for the quarter and +15% for the half-year).
- > The upward dynamics of the average weighted supply price – up to the value of 495,000 rubles/ sq m (+2% for the half-year), and the gradual reduction of discount programs.
- > The revival of the primary market in Q2 2023, due to which the volume of transactions reached 6.3 thousand units (+5% y-o-y) in total for H1 2023.

### Key indicators

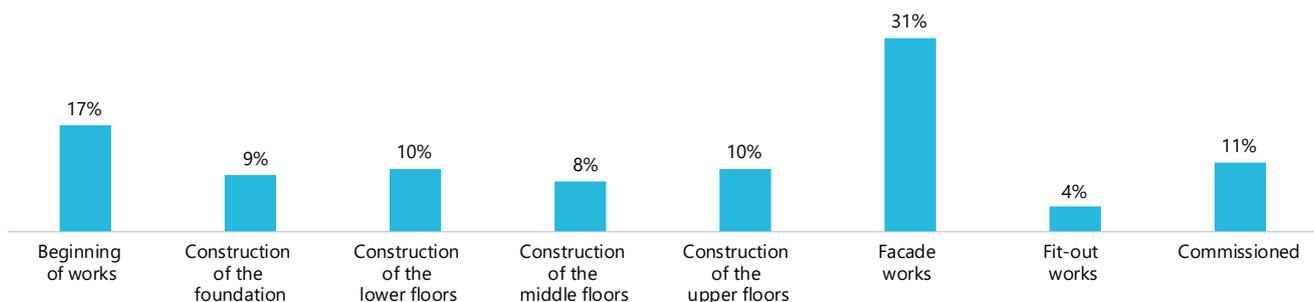
Supply		
	Indicator	Dynamics*
Supply volume, thsnd pcs	15.9	+15%
Supply volume, mln sq m	1.078	+10%
Average weighted price, thsnd rub./sq m	495.0	+2%
Average area, sq m	67.6	-4%
Average price, mln rubles	33.5	-3%
Demand		
	Indicator	Dynamics**
Number of transactions, thsnd pcs	6.3	+5%
Transaction volume, mln sq m	0.41	+4%
Average weighted price, thsnd rub./sq m	439.2	+3%
Average transaction area, sq m	64.8	-1%
Average transaction budget, mln rubles	28.5	+2%

\* Q2 2023 / Q4 2022

\*\* H1 2023 / H1 2022

Source: NF Group Research, 2023

### Supply structure by the construction stage.



Source: NF Group Research, 2023

# Supply

According to the results of H1 2023, the supply in the primary market of business-class residential real estate in Moscow amounted to 15.9 thousand flats and apartments with a total area of 1.08 mln sq m. At the same time, the supply in the segment has stopped expanding, and the number of units on sale has slightly changed in comparison with the previous quarter. It results from a revived consumer activity over the past three months, combined with the continued moderate development activity. In April – June, the segment added only 3 new projects and, since the beginning of the year, the start of sales was announced in 8 new buildings in total, which is similar to the last year value. Nevertheless, relative to earlier periods, an increase in supply is recorded (+15% for the half-year and +25% for the year).

The supply structure in the context of administrative districts has undergone some changes over the six months. By the

Supply structure by districts

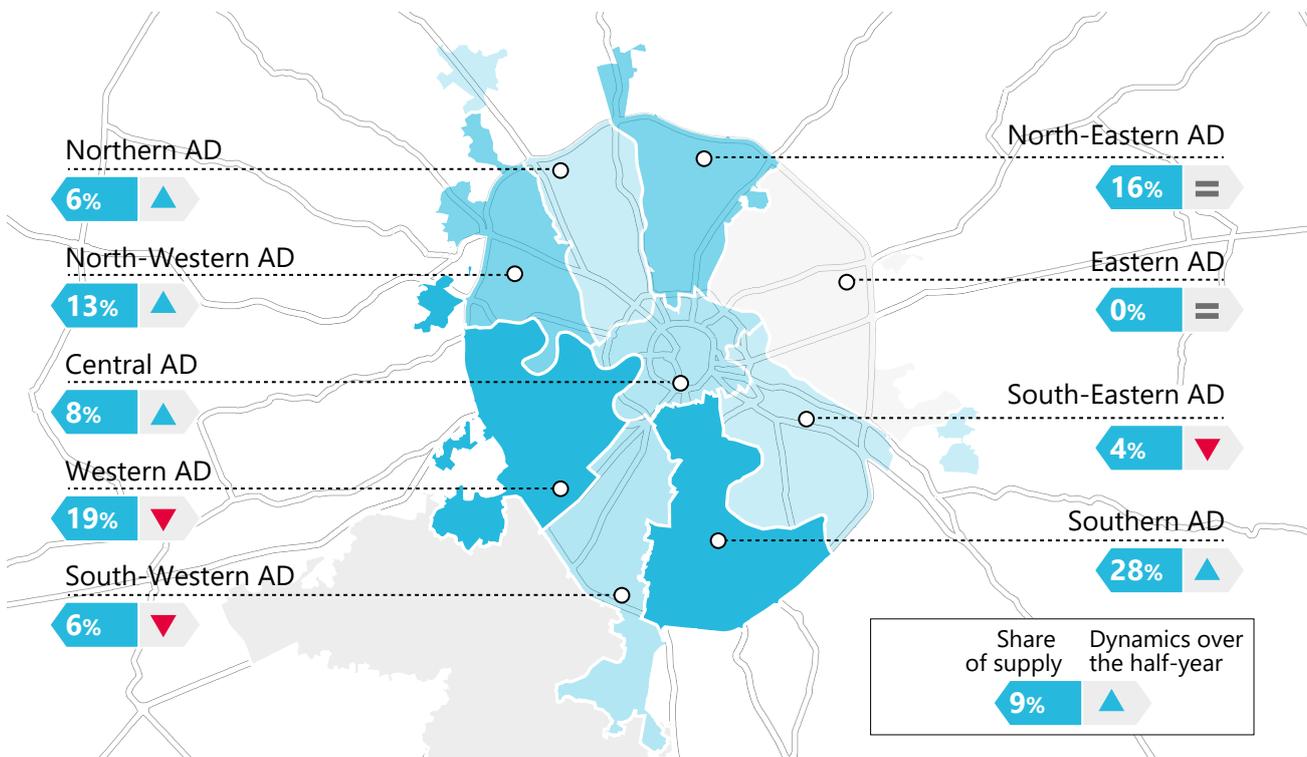
	Up to 10 mln rub.	10–20 mln rub.	20–30 mln rub.	30–40 mln rub.	40–60 mln rub.	Over 60 mln rub.
Up to 40 sq m	1%	11%	3%	0%	0%	0%
40–60 sq m	0%	9%	16%	3%	1%	0%
60–90 sq m	0%	0%	12%	17%	7%	1%
90–120 sq m	0%	0%	0%	3%	9%	2%
Over 120 sq m	0%	0%	0%	0%	1%	4%

Source: NF Group Research, 2023

end of June, the Southern AD with 28% of all available flats and apartments took the leading position in terms of the number of available units. The share of the Western AD, which at the end of 2022 headed the rating, lost 6 ppt for six months. For this reason, the location has shifted to the 2nd place by forming 19% of the segment's supply. The North-Eastern AD closes the TOP-3 with a share of 16%.

According to the results of H1 2023, 31% of the supply falls on the primary business-class residential real estate market in Moscow with finishing. At the same time, most of the flats and apartments were in the white box format (19%), while those with finishing accounted for 12% of all units. Nevertheless, most of the segment's supply (69%) is still sold without finishing.

Supply structure by districts



Source: NF Group Research, 2023

## Facilities commissioned in H1 2023

Name	Market Launch	District	Property type	Developer	Number of units	Commissioning date	Finishing
<b>New projects</b>							
Moments (1 <sup>st</sup> stage)	Jan 23	Shchukino	Flats	Forma	330	Q3 2025	White box
ORO	Jan 23	Krasnoselsky	Apartments	Stenoy	195	Q1 2024	With finishing/ Without finishing
Soul (1 <sup>st</sup> stage, bld. 1, 2)	Jan 23	Aeroport	Flats	Forma	427	Q3 2025	White box
Stories	Jan 23	Ramenki	Flats	October Group	429	Q1 2026	Without finishing
Upside Towers (1 <sup>st</sup> stage)	Feb 23	Butyrsky	Flats	Upside Development	731	Q3 2026	White box
Deco Residence	Apr 23	Danilovsky	Apartments	Tashir	142	Q2 2024	With finishing/ Without finishing
House on Zorge	May 2023	Sokol	flats	A101	308	Q3 2025	White box
Obrucheva 30	May 2023	Konkovo	flats	LSR Group	1 805	Q2 2027	Without finishing
<b>New stages and buildings</b>							
Level Michurinsky (bld. 3)	Feb 23	Ochakovo-Matveevskoye	Flats	Level Group	234	Q3 2025	White box
Primavera (block of houses Vivaldi, bld. 6, 7)	Feb 23	Pokrovskoye-Streshnevo	Flats	Spartak Stadium	95	Q2 2025	Without finishing
Republic (bld. Platinum)	Feb 23	Presnensky	Flats	Forma	302	Q4 2025	Without finishing
Ever (2 <sup>nd</sup> stage, bld. 6)	Mar 23	Obruchevsky	Flats	Tekta Group	387	Q3 2025	Without finishing
Ostrov (block of houses 6, bld. 6)	Mar 23	Khoroshevo-Mnevniky	Flats	Donstroy	452	Q1 2025	Without finishing
Level Baumanskaya (bld. C)	Apr 23	Basmany	flats	Level Group	131	Q4 2025	Without finishing
Level Prichalny (bld. West)	Apr 23	Khoroshevo-Mnevniky	flats	Level Group	263	Q4 2023	Without finishing
Mirapolis (bld. 4)	Apr 23	Yaroslavsky	Apartments	Osnova	528	Q2 2026	Without finishing
Mod (bld. C)	May 23	Maryina Roscha	flats	MR Group	648	Q4 2024	White box
Shagal (2 <sup>nd</sup> stage, bld. 1, 2, 4.1, 5.1, 6.1, 7.1)	May 23	Danilovsky	flats	Etalon Group	816	Q4 2024	Without finishing
Ostrov (block of houses 5, bld. 5)	June 23	Khoroshevo-Mnevniky	flats	Donstroy	140	Q1 2025	Without finishing

Source: NF Group Research, 2023

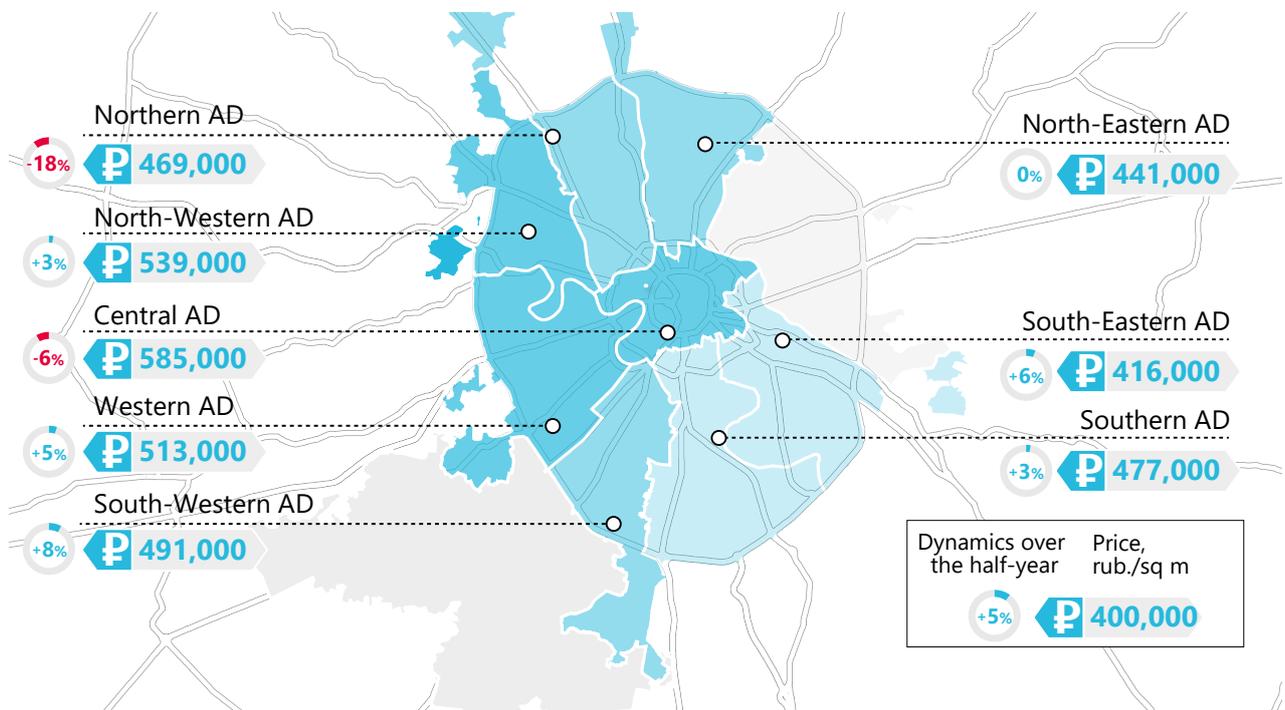
# Prices

The average weighted supply price in new business class buildings added 2% for the six months and amounted to 495,000 rubles/sq m. Various discount programs from developers are still in place. It is worth noting that against the background of the demand improvement, firstly, the number of

such promotional units has somewhat decreased, and secondly, large discounts of 30% have become a rare case. If a quarter earlier the cost per sq m in the segment was 465,000 rubles, taking into account all possible discounts, now the figure is 478,000 rubles.

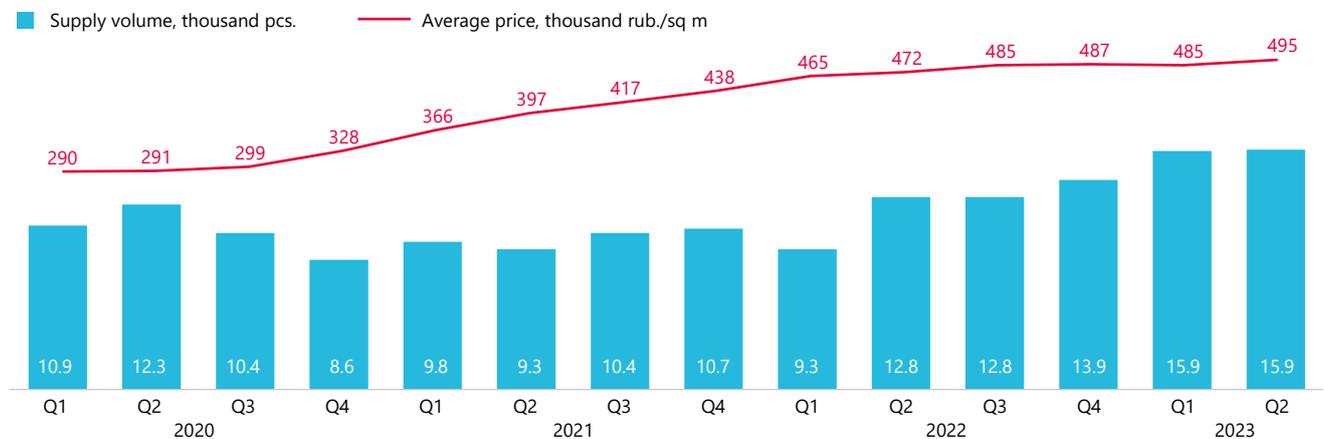
The average weighted price per sq m, broken down by administrative districts, changed unevenly. The maximum change was recorded in the Northern AD, where the indicator for the six months lost 18% up to 469,000 rubles/sq m.

## Prices



Source: NF Group Research, 2023

## Dynamics of average price and supply volume



Source: NF Group Research, 2023

## Demand

In total, 6.3 thousand flats and apartments were sold in the primary market of business-class residential real estate market in H1 2023, which is 5% higher y-o-y. At that, 3.7 thousand units were sold during April – June, which corresponds to the level of the stable pre-pandemic period of 2018-2019. The demand recovery was facilitated, among other things, by incentive campaigns of developers with a significant contribution of mortgages: the share of DDU transactions with mortgage lending amounted to 60% in H1 2023.

The leaders in the number of units sold in the first half of the year among residential complexes were the residential complex «Ostrov», the residential complex «Symbol», and the residential complex «Shagal». Among the districts, the most popular in January – June were Southern AD (20%), North-Western AD (19%) and Western AD (15%): in total, they accounted for more than half of all transactions (54%).

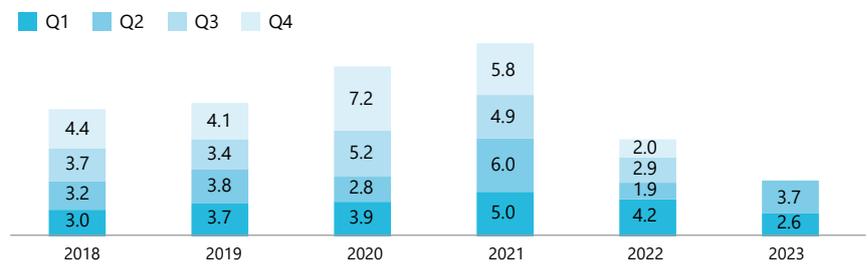


### Transactions structure

	Up to 10 mln rub.	10–20 mln rub.	20–30 mln rub.	30–40 mln rub.	40–60 mln rub.	Over 60 mln rub.
Up to 40 sq m	2%	15%	0%	0%	0%	0%
40–60 sq m	0%	13%	14%	2%	0%	0%
60–90 sq m	0%	1%	19%	13%	4%	0%
90–120 sq m	0%	0%	1%	5%	6%	1%
Over 120 sq m	0%	0%	0%	0%	1%	3%

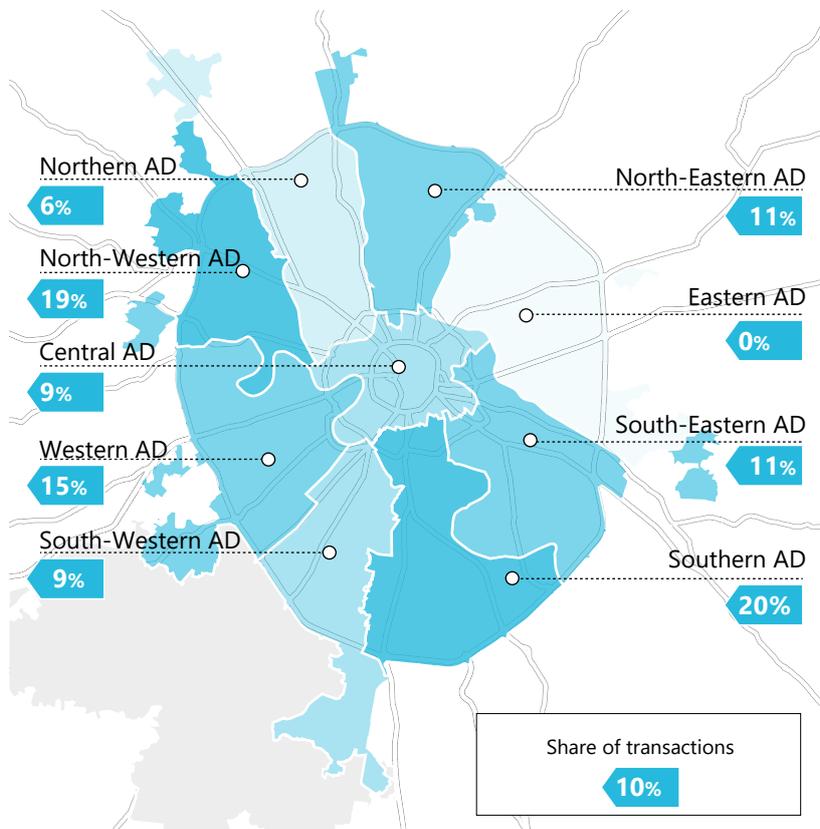
Source: NF Group Research, 2023

### Demand dynamic



Source: NF Group Research, 2023

### Share of transactions by district



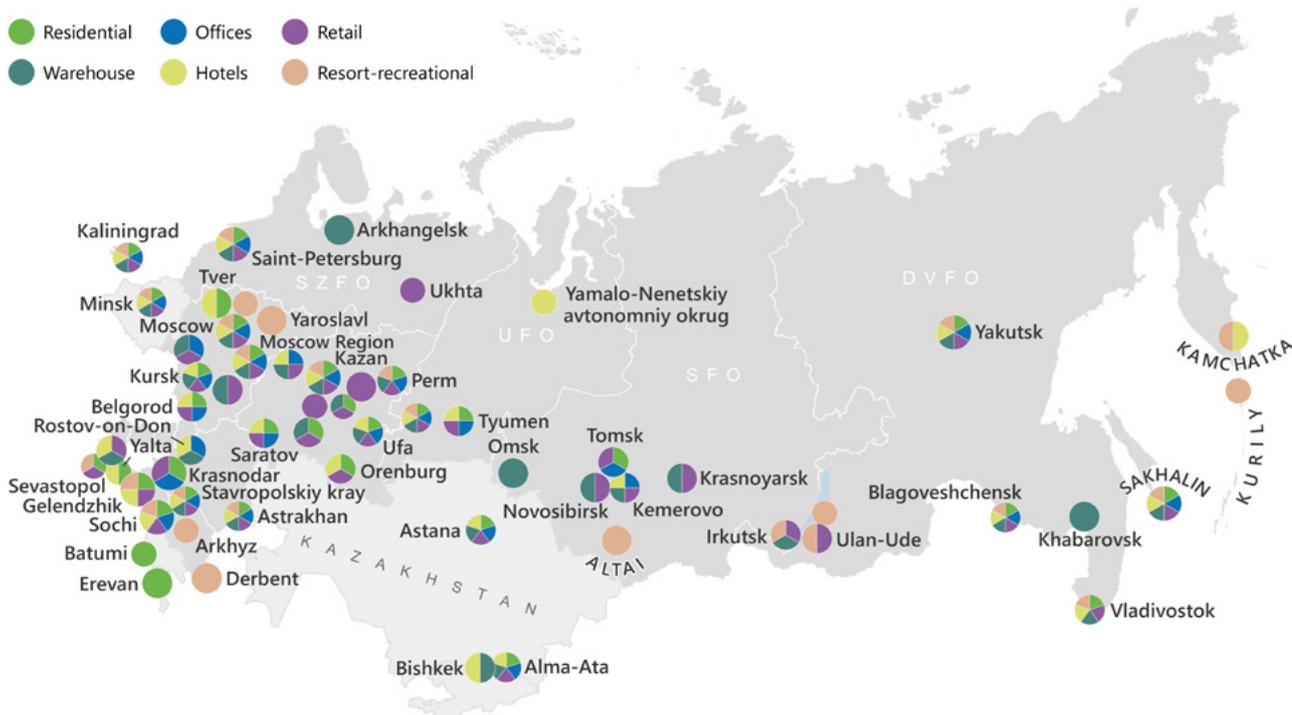
Source: NF Group Research, 2023

# CONSULTING & RESEARCH DEPARTMENT

NF Group has the local expertise and global experience.

## WE WORK IN ALL REGIONS AND ALL SEGMENTS

- Residential
- Offices
- Retail
- Warehouse
- Hotels
- Resort-recreational



Other reports in Research [section on the website](#)

### SERVICES

#### CONSULTING

- ♦ Best use
- ♦ Project's concept development /reconception
- ♦ Audit and optimization of Project
- ♦ Marketing opinion / Market research
- ♦ Project's business plan
- ♦ Analysis of the project's economic feasibility / Financial analysis
- ♦ Architectural concept development
- ♦ Hotels / SPA / public spaces operator search
- ♦ Survey of potential tenants

#### REAL ESTATE VALUATION

- ♦ Commercial and Residential real estate
- ♦ Federal and International valuations standards
- ♦ Valuation for managerial decisions
- ♦ Valuation for loan financing
- ♦ Valuation for purchase and sale
- ♦ Valuation for financial statements

To learn more about our services or ask questions please contact us

+7 (495) 023-08-12  
kf@kf.expert

Or make request on our [website](#).

#### CONSULTING & RESEARCH

**Olga Shirokova**  
Partner, Regional director  
[OS@nfgroup.ru](mailto:OS@nfgroup.ru)

#### REAL ESTATE VALUATION

**Olga Reshetnyakova**  
Director  
[OR@nfgroup.ru](mailto:OR@nfgroup.ru)

